

Message Text

CONFIDENTIAL

PAGE 01 ALGIER 00233 251257Z

43

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-09 ISO-00 FEA-01

AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FPC-01 H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 RSC-01 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-03 SSO-00 NSCE-00 INRE-00 PA-01 PRS-01 USIE-00

/113 W

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O R 251230Z JAN 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC NIACT IMMEDIATE 1763

INFO AMEMBASSY ABU DHABI

AUSINT BAGHDAD 011

AMEMBASSY CARACAS

AMEMBASSY JAKARTA

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VINENNA

C O N F I D E N T I A L ALGIERS 0233

E.O. 11652: GDS

TAGS: ENRG, AG

SUBJ: OPEC CONFERENCE

REF: (A) ALGIERS 0096 (B) ALGIERS 0206 (C) ALGIERS 0218

(D) STATE 017523 NOTAL

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PAGE 02 ALGIER 00233 251257Z

1. OPEC CONFERENCE PROCEEDING BEHIND CLOSED DOORS AND

LITTLE OR NO INFORMATION AVAILABLE EXCEPT FROM CORRESPONDENTS AND ALGERIAN PRESS. MEETING CONTINUED UNTIL 6:00 P.M. JANUARY 24 FOLLOWED BY RECEPTION GIVEN BY BOUMEDIENE. DELEGATES WILL ASSEMBLE AGAIN THIS MORNING JANUARY 25 (NO SIGN OF THEM BY 11:00 A.M.) WITH FORECAST OF FURTHER GENERAL DISCUSSION AND THEN THE PREPARATION OF AGREED PAPERS TO BE ADOPTED BY MINISTERS. THERE IS STILL NO CLOSING DATE FOR CONFERENCE, RUMORS VARY FROM SUNDAY NIGHT TO TUESDAY NIGHT. THERE IS SPECULATION THAT CONFERENCE MAY CLOSE EARLY WITH AGREEMENT OF A SUMMIT ONLY. THERE IS ALSO SPECULATION THAT DIFFERENCES ON HOW MUCH TO POLITICIZE OIL ARE SURFACING, WITH ALGERIANS ISOLATED ON THE EXTREME LEFT.

2. BOUTEFLIKA'S OPENING ADDRESS, REFTEL (C) WAS PUBLISHED IN FULL IN ALGERIAN NEWSPAPERS THIS MORNING. WE ASSUME FBIS HAS ALSO CARRIED IT. BOUTEFLIKA EMPHASIZED THREE POINTS: (1) CONSUMERS CAMPAIGN TO SLANDER AND MOBILIZE OPINION AGAINST THE OIL PRODUCERS; (2) NEED FOR SOLIDARITY AMONG OIL EXPORTERS AND EXPORTERS OF OTHER PRIMARY PRODUCTS TO FACE WORLD ECONOMIC CRISIS CAUSED BY STRUCTURAL FAULTS OF WESTERN ECONOMIES BASED ON ABUSIVE PROFITS, WASTE AND ARTIFICIALLY CREATED DEMANDS; (3) DESIRE OF OPEC COUNTRIES TO CONTROL THEIR OWN RESOURCES AND TO SET EXAMPLE FOR OTHER THIRD WORLD COUNTRIES IN A SPIRIT OF DIALOGUE AND THE ESTABLISHMENT OF JUST AND EQUAL RELATIONS.

3. BOUTEFLIKA POINTED OUT AS ONE EXAMPLE OF SLANDER THE EFFORT TO BLAME THE FIFTEEN PERCENT WORLD INFLATION RATE ON HIGHER OIL PRICES EVEN THOUGH ONLY 1.5 PERCENT OF THIS INCREASE IN PRICES COULD BE ATTRIBUTED TO HIGHER ENERGY COSTS. PROOF OF OPEC'S GOOD WILL IS ITS DECISION AT VIENNA TO FREEZE OIL PRICES FOR A PERIOD. INFLATION HAS CONTINUED TO GALLOP NEVERTHELESS, SHOWING THAT OIL PRICE NOT RESPONSIBLE.

4. BOUTEFLIKA WAS HARSH ON INTERNATIONAL ENERGY AGENCY WHICH HE SAID WAS BASED ON IDEA OF CONFRONTATION AND CONFIDENTIAL

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PAGE 03 ALGIER 00233 251257Z

EMBARGOS. EMBARGO, HE SAID, WAS AN EXTREME MEASURE WHICH WOULD COME TO PASS ONLY IN RESPONSE TO AGGRESSION AIMED AT PETROLEUM RESOURCES OF AN OPEC MEMBER.

5. AMOUZEGAR, IRANIAN OIL MINISTER, IS QUOTED AT BOUMEDIENE'S RECEPTION AFTER THE CONFERENCE SESSIONS OF JANUARY 24 AS PRAISING ALGERIAN MINISTER OF INDUSTRY AND ENERGY ABDESSELAM'S SPEECH TO THE THIRTEEN DELEGATIONS AS A WELL

WORKED-OUT EXPOSE ON THE PROBLEMS FACING THE OPEC COUNTRIES--INFLATION, PRIMARY COMMODITY DEVELOPMENT AND TERMS OF TRADE OF THE DEVELOPING COUNTRIES. SPEAKING ABOUT THE INTERNATIONAL OIL CONFERENCE SUGGESTED BY FRANCE, AMOUZEGAR INDICATED CHOICE OF PARTICIPANTS WAS CRITICAL AND DIFFICULT. HE REAFFIRMED DESIRE OF OPEC COUNTRIES FOR A DIALOGUE AND SUGGESTED AN INTERNATIONAL CONFERENCE WOULD TAKE PLACE AT THE END OF JUNE OR EARLY JULY, PRECEDED BY A PREPARATORY MEETING AND THE "SUMMIT OF ALGIERS".
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, SPEECHES, CARTELS, EXPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ALGIER00233
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750028-1134
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750120/aaaaarxj.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 ALGIERS 0096, 75 ALGIERS 0206, 75 ALGIERS 0218
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2003 by BoyleJA>; APPROVED <07 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OPEC CONFERENCE
TAGS: ENRG, AG, OPEC, IEA, (BOUTEFLIKA, ABDELAZIZ)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006